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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

SEP 27 2013

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANT AND PROPERTY, AND
FOR ADJUSTMENTS TO ITS RATES AND
CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS NORTHERN GROUP
AND FOR CERTAIN RELATED
APPROVALS.

DOCKET NO. W-01445A-12-0348

**CERTIFICATE OF FILING
OF TARIFFS**

Decision No. 74081 of the Arizona Corporation Commission entered on September 23, 2013 in the above-captioned matter directed, among other things, that Arizona Water Company (the "Company") file with the Commission the schedules of rates and charges attached to said Decision as Exhibit B and referenced in the discussion in the Decision.

The Company hereby files the attached revised tariffs in compliance with Decision No. 74081. The revised tariffs include General Service tariffs for the Navajo system (includes Lakeside and Overgaard) and the Verde Valley (includes Sedona, Pinewood and Rimrock) system. Also included are: a revised Coin Machine Service (CM-266) tariff; a revised Service Charges (SC-265) tariff reflecting the new service charges approved for the Northern Group in the Decision, a revised Private Fire Service (PF-242) tariff, and a tariff (FF-103) for the Off-Site Facilities Fee approved in the Decision.

IT IS HEREBY CERTIFIED THAT on the 27th day of September, 2013 the Company filed with the Arizona Corporation Commission, Docket Control Division, at its

1 main office located at 1200 West Washington Street, Phoenix, Arizona, an original and
2 thirteen (13) copies of the foregoing tariffs.

3 RESPECTFULLY SUBMITTED this 27th day of September, 2013.

4
5 **ARIZONA WATER COMPANY**

6
7 By: 

8 E. Robert Spear
9 General Counsel
10 Arizona Water Company
11 P. O. Box 29006
12 Phoenix, AZ 85038-9006

13 Steven A. Hirsch
14 Stanley B. Lutz
15 Bryan Cave, LLP
16 Two North Central Avenue, Suite 2200
17 Phoenix, AZ 85004-4406
18 Attorneys for Applicant
19 Arizona Water Company
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27
28

1 AN ORIGINAL and thirteen (13) copies of the
2 foregoing filed this 27th day of September, 2013 with:

3 Docketing Supervisor
4 Docket Control Division
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 A copy of the foregoing was mailed
9 this 27th day of September, 2013 to:

10 Sarah N. Harpring
11 Administrative Law Judge
12 Hearing Division
13 Arizona Corporation Commission
14 1200 West Washington Street
15 Phoenix, Arizona 85007

16 Janice Alward, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007

21 Steven M. Olea, Director
22 Utilities Division
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007

26 Daniel W. Pozefsky, Chief Counsel
27 Residential Utility Consumer Office
28 1110 West Washington Street, Suite 220
Phoenix, Arizona 85007

By:  _____



ARIZONA WATER COMPANY

WATER RATES - GENERAL SERVICE

Filed by: William M. Garfield

Title: President

Date of Original Filing: Jan. 24, 1963; Sep. 28, 1962

System(s): **NAVAJO (INCLUDES LAKESIDE, OVERGAARD)**

A.C.C. No. 548

Cancelling A.C.C. No. 505

Tariff or Schedule No. WG-285

Filed: September 27, 2013

Effective: October 1, 2013

AVAILABILITY: In Lakeside, Overgaard and environs at all points where facilities of adequate capacity and pressure are adjacent to the premises served.

APPLICATION: To all water service required when such service is supplied at one premise through one point of delivery and measured through one meter. Not applicable to temporary, standby, or supplementary service.

RESIDENTIAL:

<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Commodity Rate per 1,000 Gallons Consumed</u>
¾" x ¾"	\$17.26	0 - 3,000 gallons - \$3.9160; 3,001 - 10,000 gallons - \$5.4213; gallons over 10,000 - \$7.3058
1"	\$43.15	0 - 21,000 gallons - \$5.4213; gallons over 21,000 - \$7.3058
1½"	\$86.30	0 - 50,000 gallons - \$5.4213; gallons over 50,000 - \$7.3058
2"	\$138.08	0 - 60,000 gallons - \$5.4213; gallons over 60,000 - \$7.3058
3"	\$276.16	0 - 120,000 gallons - \$5.4213; gallons over 120,000 - \$7.3058
4"	\$431.50	0 - 190,000 gallons - \$5.4213; gallons over 190,000 - \$7.3058
6"	\$863.00	0 - 390,000 gallons - \$5.4213; gallons over 390,000 - \$7.3058
8"	\$1,380.80	0 - 600,000 gallons - \$5.4213; gallons over 600,000 - \$7.3058
10"	\$1,984.90	0 - 800,000 gallons - \$5.4213; gallons over 800,000 - \$7.3058

COMMERCIAL:

<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Commodity Rate per 1,000 Gallons Consumed</u>
¾" x ¾"	\$23.00	0 - 10,000 gallons - \$5.4213; gallons over 10,000 - \$7.3058
1"	\$57.50	0 - 21,000 gallons - \$5.4213; gallons over 21,000 - \$7.3058
1½"	\$115.00	0 - 50,000 gallons - \$5.4213; gallons over 50,000 - \$7.3058
2"	\$184.00	0 - 60,000 gallons - \$5.4213; gallons over 60,000 - \$7.3058
3"	\$368.00	0 - 120,000 gallons - \$5.4213; gallons over 120,000 - \$7.3058
4"	\$575.00	0 - 190,000 gallons - \$5.4213; gallons over 190,000 - \$7.3058
6"	\$1,150.00	0 - 390,000 gallons - \$5.4213; gallons over 390,000 - \$7.3058
8"	\$1,840.00	0 - 600,000 gallons - \$5.4213; gallons over 600,000 - \$7.3058
10"	\$2,645.00	0 - 800,000 gallons - \$5.4213; gallons over 800,000 - \$7.3058

INDUSTRIAL:

<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Commodity Rate per 1,000 Gallons Consumed</u>
¾" x ¾"	\$23.00	all gallons - \$5.4213
1"	\$57.50	all gallons - \$5.4213
1½"	\$115.00	all gallons - \$5.4213
2"	\$184.00	all gallons - \$5.4213
3"	\$368.00	all gallons - \$5.4213
4"	\$575.00	all gallons - \$5.4213
6"	\$1,150.00	all gallons - \$5.4213
8"	\$1,840.00	all gallons - \$5.4213
10"	\$2,645.00	all gallons - \$5.4213

CONSTRUCTION:

<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Commodity Rate per 1,000 Gallons Consumed</u>
2"	\$184.00	0 - 60,000 gallons - \$5.4213; gallons over 60,000 - \$7.3058
3"	\$368.00	0 - 120,000 gallons - \$5.4213; gallons over 120,000 - \$7.3058
4"	\$575.00	0 - 190,000 gallons - \$5.4213; gallons over 190,000 - \$7.3058

SALES FOR RESALE:

<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Commodity Rate per 1,000 Gallons Consumed</u>
¾" x ¾"	\$23.00	all gallons - \$5.4213
1"	\$57.50	all gallons - \$5.4213
1½"	\$115.00	all gallons - \$5.4213
2"	\$184.00	all gallons - \$5.4213
3"	\$368.00	all gallons - \$5.4213
4"	\$575.00	all gallons - \$5.4213
6"	\$1,150.00	all gallons - \$5.4213
8"	\$1,840.00	all gallons - \$5.4213
10"	\$2,645.00	all gallons - \$5.4213

ADJUSTMENT: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder and any tax or similar assessment based on the withdrawal, delivery or use of water. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

SPECIAL PROVISIONS: Subject to the Company's Tariff Schedule SC-265.

TERMS AND CONDITIONS: Subject to the Company's Tariff Schedule TC-243.



ARIZONA WATER COMPANY

WATER RATES - GENERAL SERVICE

Filed by: William M. Garfield

Title: President

Date of Original Filing: Sep. 14, 1962; Sep. 28, 1962; May 24, 1971

System(s): **VERDE VALLEY (INCLUDES SEDONA, PINEWOOD, RIMROCK)**

A.C.C. No. 549 549

Cancelling A.C.C. No. 510

Tariff or Schedule No. WG-286

Filed: September 27, 2013

Effective: October 1, 2013

AVAILABILITY: In Sedona, Pinewood, Rimrock and environs at all points where facilities of adequate capacity and pressure are adjacent to the premises served.

APPLICATION: To all water service required when such service is supplied at one premise through one point of delivery and measured through one meter. Not applicable to temporary, standby, or supplementary service.

RESIDENTIAL:

Meter Size	Minimum Charge	Commodity Rate per 1,000 Gallons Consumed
¾" x ¾"	\$25.33	0 - 3,000 gallons - \$2.1210; 3,001 - 10,000 gallons - \$3.5527; gallons over 10,000 - \$4.4860
1"	\$63.33	0 - 40,000 gallons - \$3.5527; gallons over 40,000 - \$4.4860
1½"	\$126.65	0 - 75,000 gallons - \$3.5527; gallons over 75,000 - \$4.4860
2"	\$202.64	0 - 125,000 gallons - \$3.5527; gallons over 125,000 - \$4.4860
3"	\$405.28	0 - 300,000 gallons - \$3.5527; gallons over 300,000 - \$4.4860
4"	\$633.25	0 - 500,000 gallons - \$3.5527; gallons over 500,000 - \$4.4860
6"	\$1,266.50	0 - 1,000,000 gallons - \$3.5527; gallons over 1,000,000 - \$4.4860
8"	\$2,026.40	0 - 1,500,000 gallons - \$3.5527; gallons over 1,500,000 - \$4.4860
10"	\$2,912.95	0 - 2,300,000 gallons - \$3.5527; gallons over 2,300,000 - \$4.4860

COMMERCIAL:

Meter Size	Minimum Charge	Commodity Rate per 1,000 Gallons Consumed
¾" x ¾"	\$25.00	0 - 10,000 gallons - \$3.5527; gallons over 10,000 - \$4.4860
1"	\$62.50	0 - 40,000 gallons - \$3.5527; gallons over 40,000 - \$4.4860
1½"	\$125.00	0 - 75,000 gallons - \$3.5527; gallons over 75,000 - \$4.4860
2"	\$200.00	0 - 125,000 gallons - \$3.5527; gallons over 125,000 - \$4.4860
3"	\$400.00	0 - 300,000 gallons - \$3.5527; gallons over 300,000 - \$4.4860
4"	\$625.00	0 - 500,000 gallons - \$3.5527; gallons over 500,000 - \$4.4860
6"	\$1,250.00	0 - 1,000,000 gallons - \$3.5527; gallons over 1,000,000 - \$4.4860
8"	\$2,000.00	0 - 1,500,000 gallons - \$3.5527; gallons over 1,500,000 - \$4.4860
10"	\$2,875.00	0 - 2,300,000 gallons - \$3.5527; gallons over 2,300,000 - \$4.4860

INDUSTRIAL:

Meter Size	Minimum Charge	Commodity Rate per 1,000 Gallons Consumed
¾" x ¾"	\$25.00	all gallons - \$3.5527
1"	\$62.50	all gallons - \$3.5527
1½"	\$125.00	all gallons - \$3.5527
2"	\$200.00	all gallons - \$3.5527
3"	\$400.00	all gallons - \$3.5527
4"	\$625.00	all gallons - \$3.5527
6"	\$1,250.00	all gallons - \$3.5527
8"	\$2,000.00	all gallons - \$3.5527
10"	\$2,875.00	all gallons - \$3.5527

CONSTRUCTION:

Meter Size	Minimum Charge	Commodity Rate per 1,000 Gallons Consumed
2"	\$200.00	0 - 125,000 gallons - \$3.5527; gallons over 125,000 - \$4.4860
3"	\$400.00	0 - 300,000 gallons - \$3.5527; gallons over 300,000 - \$4.4860
4"	\$625.00	0 - 500,000 gallons - \$3.5527; gallons over 500,000 - \$4.4860

SALES FOR RESALE:

Meter Size	Minimum Charge	Commodity Rate per 1,000 Gallons Consumed
¾" x ¾"	\$25.00	all gallons - \$3.5527
1"	\$62.50	all gallons - \$3.5527
1½"	\$125.00	all gallons - \$3.5527
2"	\$200.00	all gallons - \$3.5527
3"	\$400.00	all gallons - \$3.5527
4"	\$625.00	all gallons - \$3.5527
6"	\$1,250.00	all gallons - \$3.5527
8"	\$2,000.00	all gallons - \$3.5527
10"	\$2,875.00	all gallons - \$3.5527

ADJUSTMENT: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder and any tax or similar assessment based on the withdrawal, delivery or use of water. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

SPECIAL PROVISIONS: Subject to the Company's Tariff Schedule SC-265.

TERMS AND CONDITIONS: Subject to the Company's Tariff Schedule TC-243.



ARIZONA WATER COMPANY

WATER RATES - COIN MACHINE SERVICE

Filed by: William M. Garfield

Title: President

Date of Original Filing: December 16, 1964

System(s): **ALL SERVICE AREAS LISTED BELOW**

A.C.C. No. 550

Cancelling A.C.C. No. 544

Tariff or Schedule No. CM-266

Filed: September 27, 2013

Effective: October 1, 2013

AVAILABILITY: In all cities, towns and unincorporated areas in which the Company has a general water utility business where a coin operated machine is available for customers to haul water to the point of use.

RATE:

<u>System</u>	<u>No. of Gallons</u>	<u>Rate</u>
Ajo	38.00	\$0.25
Pinal Valley (includes Casa Grande, Coolidge, Stanfield)	109.00	\$0.25
Superstition (includes Apache Junction, Superior, Miami)	68.00	\$0.25
Verde Valley (includes Sedona, Pinewood, Rimrock)	64.00	\$0.25

TERMS AND CONDITIONS: Subject to the Company's tariff Schedule TC-243.

ADJUSTMENT: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder and any tax or similar assessment based on the withdrawal, delivery or use of water. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

TERMS AND CONDITIONS: Subject to the Company's Tariff Schedule TC-243.



ARIZONA WATER COMPANY

TARIFF SCHEDULE - SERVICE CHARGES

Filed by: William M. Garfield

Title: President

Date of Original Filing: April 27, 1983

System(s): **NORTHERN GROUP (INCLUDES NAVAJO, VERDE VALLEY)**

A.C.C. No. 551

Cancelling A.C.C. No. 523

Tariff or Schedule No. SC-265

Filed: September 27, 2013

Effective: October 1, 2013

AVAILABILITY: In the Navajo (Lakeside, Overgaard) and Verde Valley (Sedona, Pinewood, Rimrock) systems where the Company provides general water utility services.

1. **ESTABLISHMENT** - \$32.00, each time an account is established for all customers in the above systems.
2. **GUARANTEE DEPOSIT** - Residential maximum: Two (2) times average customer class bill. Non-Residential maximum: Two and one-half (2 ½) times that customer's estimated maximum monthly bill.
3. **RECONNECTION FOR DELINQUENCY** - \$32.00, each time customer is disconnected.
4. **RE-ESTABLISHMENT** - Eight (8) times the customer's monthly minimum charge, or payment of the minimums since disconnection, whichever is less.
5. **AFTER HOURS SERVICE CHARGE** - \$35.00, each service call-out after regular working hours, on Saturdays, Sundays, or holidays.
6. **RETURNED PAYMENT FOR INSUFFICIENT FUNDS** - \$25.00, each returned payment for insufficient funds.
7. **METER RE-READ** - \$25.00, all meter re-reads.
8. **METER TEST** - No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$25.00, or actual time and material, whichever is greater.
9. **SERVICE LINE AND METER INSTALLATION** -

<u>Meter Size</u>	<u>Service Line</u> ¹	<u>Meter</u>	<u>Total</u> ¹
5/8-inch	\$ 445.00	\$ 155.00	\$ 600.00
1-inch	495.00	315.00	810.00
2" turbine	830.00	1,045.00	1,875.00
2" compound	830.00	1,890.00	2,720.00
3" turbine	Actual Cost	Actual Cost	Actual Cost
3" compound	Actual Cost	Actual Cost	Actual Cost
4" turbine	Actual Cost	Actual Cost	Actual Cost
4" compound	Actual Cost	Actual Cost	Actual Cost
6" turbine	Actual Cost	Actual Cost	Actual Cost
6" compound	Actual Cost	Actual Cost	Actual Cost
8" turbine	Actual Cost	Actual Cost	Actual Cost
8" compound	Actual Cost	Actual Cost	Actual Cost
10" turbine	Actual Cost	Actual Cost	Actual Cost
10" compound	Actual Cost	Actual Cost	Actual Cost

¹ Actual cost of service line if boring under roadway is required.

10. **LATE CHARGE** - 1.5 percent after 15 days.

ADJUSTMENT: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder and any tax or similar assessment based on the withdrawal, delivery or use of water. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

TERMS AND CONDITIONS: Subject to the Company's Tariff Schedule TC-243.



ARIZONA WATER COMPANY

WATER RATES - PRIVATE FIRE SERVICE

Filed by: William M. Garfield

Title: President

Date of Original Filing: April 1, 1955

System(s): **ALL SERVICE AREAS LISTED BELOW**

A.C.C. No. 552

Cancelling A.C.C. No. 545

Tariff or Schedule No. PF-242

Filed: September 27, 2013

Effective: October 1, 2013

AVAILABILITY: In all cities, towns and unincorporated areas in which the Company provides general water utility services where facilities of adequate capacity and pressure are adjacent to the premises to be served.

APPLICATION: To all water service furnished for the specific purpose of providing private fire service. No water may be taken through private fire service systems for any purpose other than for the extinguishment of fires.

MONTHLY RATE:

System	All Meter Connection Sizes
Superstition (Includes Apache Junction, Superior, Miami)	\$ 28.00
Cochise (Includes Bisbee, Sierra Vista)	\$ 28.00
San Manuel	\$ 27.00
Falcon Valley (Includes Oracle, SaddleBrooke Ranch)	\$ 27.00
Winkelman	\$ 27.00
Pinal Valley (Includes Casa Grande, Coolidge, Stanfield)	\$ 25.00
White Tank	\$ 25.00
Ajo	\$ 25.00
Navajo (Includes Lakeside, Overgaard)	\$ 25.00
Verde Valley (Includes Sedona, Pinewood, Rimrock)	\$ 30.50

ADJUSTMENT: Plus the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of the gross revenues of the Company and/or the price or revenue from the water or service sold and/or the volume of water pumped or purchased for sale and/or sold hereunder and any tax or similar assessment based on the withdrawal, delivery or use of water. In the event of any increase or decrease in taxes or other governmental impositions, rates shall be adjusted to reflect such increase or decrease.

SPECIAL PROVISIONS:

1. The Customer will pay, without refund, the entire cost of the private fire service.
2. The private fire service shall be installed by the Company or under the Company's direction and shall be the sole property and subject to the control of the Company, with the right to alter, repair, replace and remove upon discontinuance of service.
3. The minimum diameter for private fire service will be four (4) inches. The maximum diameter shall not be larger than the diameter of the water main to which the fire protection service is attached unless said main is circulating, in which case with the approval of the Company the maximum diameter may be larger than the diameter of said circulating main.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the Company at the cost of the customer. Such cost shall not be subject to refund.
5. The private fire service facilities will include a detector check valve, backflow prevention device, or other similar device acceptable to the Company which will indicate the use of water. The facilities may be located within the customer's premises or within public right-of-way adjacent thereto. Where located within the premises, the Company and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities.
6. The customer must notify the Company within 48 hours of private fire service activation, resulting in the use of water in any amount.
7. No structure shall be built over the private fire service and the customer shall maintain and safeguard the area occupied by the service from traffic and other hazardous conditions. The customer will be responsible for any damage to the private fire service facilities whether resulting from the use or operation of appliances and facilities on customer's premises or otherwise.
8. Subject to the approval of the Company, any change in the location or construction of the private fire service as may be requested by public authority or the customer will be made by the Company following payment to the Company of the entire cost of such change.
9. The customer's installation must be such as to separate effectively the private fire service from that of the customer's regular domestic water service. Any unauthorized use of water through the private fire service will be charged for at the applicable tariff rates and may be grounds for the Company's discontinuing private fire service without liability.
10. There shall be no cross connection between the systems supplied by water through the Company's private fire service and any other source of supply without the specific approval of the Company. The specific approval, if given, will at least require, at the customer's expense, a special double check valve installation or other device acceptable to the Company. Any unauthorized cross connection may be grounds for immediately discontinuing private fire service without liability.
11. The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company does not guarantee a specific water pressure or gallons-per-minute flow rate at any of the private fire service facilities installed. In the event service is interrupted or irregular or defective or fails from causes beyond the Company's control or through ordinary negligence of its employees, servants or agents, the Company will not be liable for any injuries or damages arising therefrom.
12. The customer shall make no claim against the Company for any loss or damage resulting from services provided under this schedule except for the Company's gross negligence.

TERMS AND CONDITIONS: Subject to the Company's Tariff Schedule TC-243



ARIZONA WATER COMPANY

TARIFF SCHEDULE – OFF-SITE FACILITIES FEE (WATER)

Filed by: William M. Garfield

Title: President

Date of Original Filing: September 27, 2013

System(s): **VERDE VALLEY (SEDONA)**

A.C.C. No. 553

Cancelling A.C.C. No. N/A

Tariff or Schedule No. FF-103

Filed: September 27, 2013

Effective: October 1, 2013

I. Purpose and Applicability

The purpose of the off-site facilities fees payable to Arizona Water Company ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, treatment, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, including Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

"Company" means Arizona Water Company.

"System" means Public Water System ("PWS"), as defined by Arizona Department of Environmental Quality.

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

"Off-site Facilities" means wells, storage tanks, water treatment facilities, that are not otherwise supported by an Arsenic Cost Recovery Mechanism ("ACRM"), and related appurtenances and equipment necessary for proper operation of such water treatment facilities, including engineering and design costs. Off-site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances and equipment necessary for proper operation of such facilities if these facilities are not for the exclusive use of the applicant and will benefit the entire water system (Either all of Valley Vista or all of Sedona).



ARIZONA WATER COMPANY
OFF-SITE FACILITIES FEE (WATER) (continued)

"Service Connection" means and includes all service connections for single-family residential, commercial, industrial, or other uses, regardless of meter size.

III. Off-Site Water Facilities Fee

For each new service connection, the Company shall collect an off-site facilities fee derived from the following table:

OFF-SITE FACILITIES FEE TABLE		
Meter Size	Size Factor	Total Fee
5/8" x 3/4 "	1	\$1,100
3/4"	1.5	\$1,650
1"	2.5	\$2,750
1-1/2 "	5	\$5,500
2"	8	\$8,800
3"	16	\$17,600
4"	25	\$27,500
6" or larger	50	\$55,000

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Facilities Fee: The off-site facilities fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge). These charges are not applicable to additional service connections that are established as back-up connections, under the condition that these service connections are not to be used at the same time.

(B) Use of Off-Site Facilities Fee: Off-site facilities fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site facilities fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under tariff as Contributions in Aid of Construction ("CIAC"); however, such amounts shall not be deducted from rate base until such amounts have been expended for utility plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements or construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the off-site facilities fees required hereunder shall be made by the Applicant no



ARIZONA WATER COMPANY
OFF-SITE FACILITIES FEE (WATER) (continued)

later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the off-site facilities fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction By Developer: Company and Applicant may agree to construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site facilities fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site facilities fees under this Tariff, Applicant shall pay the remaining amount of off-site facilities fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site facilities fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site facilities fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Facilities Fees Non-refundable: The amounts collected by the Company as off-site facilities fees shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Facilities Fees Received: All funds collected by the Company as off-site facilities fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system (either all of Valley Vista or Sedona).



ARIZONA WATER COMPANY
OFF-SITE FACILITIES FEE (WATER) (continued)

(I) Off-Site Facilities Fee in Addition to On-site Facilities: The off-site facilities fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to this tariff, or if the off-site facilities fee tariff has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities not covered by this tariff, such additional facilities shall be constructed under a separate Main Extension Agreement as a non-refundable contribution and shall be in addition to the off-site facilities fees.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year off-site facilities fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2014, until the off-site facilities fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the off-site facilities fee, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities (by system location) that have been installed with the tariff funds during the twelve (12) month period.